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1 ROBINS, KAPLAN, MILLER & CIRESI L.L.P.
 2 ROMAN M. SILBERFELD, State Bar # 62783
 3 RMSilberfeld@rkmc.com
 4 BERNICE CONN, State Bar # 161594
 5 BConn@rkmc.com
 6 MICHAEL A. GEIBELSON, State Bar # 179970
 7 MAGEibelson@rkmc.com
 8 2049 Century Park East, Suite 3400
 9 Los Angeles, CA 90067-3208
 10 Telephone: 310-552-0130
 11 Facsimile: 310-229-5800

12 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
 13 A Limited Liability Partnership
 14 Including Professional Corporations
 15 ROBERT D. ROSE, Cal. Bar No. 62559
 16 rrose@sheppardmullin.com
 17 DAVID F GENESON FL. Bar No. 173525
 18 dgeneson@sheppardmullin.com
 19 REBECCA S. ROBERTS, Cal. Bar No. 225757
 20 rroberts@sheppardmullin.com
 21 501 West Broadway, 19th Floor
 22 San Diego, CA 92101-3598
 23 Telephone: 619-338-6500
 24 Facsimile: 619-234-3815

25 Attorneys for INTERNATIONAL RECTIFIER

26 THE UNITED STATES DISTRICT COURT
 27 FOR THE CENTRAL DISTRICT OF CALIFORNIA

28 WESTERN DIVISION

CV08-05869 R AJWx

INTERNATIONAL RECTIFIER, a
 Delaware Corporation,

Case No.

COMPLAINT FOR:

Plaintiff,

v.

ALEX LIDOW, an individual; ROBERT
 BEACH, an individual; JIANJUAN "JOE"
 CAO, an individual; DAVID TAM, an
 individual; ALANA NAKATA, an
 individual; STEPHEN TSANG, an
 individual; GUANGYUANG ZHAO, an
 individual; GNOEM SYSTEMS, INC., a
 corporation; AIXTRON AG, a corporation;
 EPISIL TECHNOLOGIES, INC; a
 corporation; HERMES - EPITEK, a
 corporation; and EFFICIENT POWER
 CONVERSION CORPORATION, a
 corporation;

Defendants.

1. CIVIL RICO, 18 U.S.C. § 1962(c);
2. CIVIL RICO, 18 U.S.C. § 1962(d);
3. FRAUD AND DECEIT;
4. MISAPPROPRIATION OF TRADE SECRET(S);
5. UNFAIR COMPETITION;
6. CONVERSION;
7. BREACH OF DUTY OF LOYALTY;
8. BREACH OF FIDUCIARY DUTY;
9. BREACH OF CONTRACT;
10. TORTIOUS BREACH OF CONTRACT; and
11. INTENTIONAL INTERFERENCE WITH CONTRACT RELATIONS

DEMAND FOR JURY TRIAL

1 Plaintiff International Rectifier Corporation ("IR" or "International Rectifier"
2 or the "Company") brings the following claims against Alex Lidow, Robert Beach,
3 Jianjuan "Joe" Cao, David Tam, Alana Nakata, Stephen Tsang, Guangyuan Zhao,
4 GNOEM, Aixtron AG, Episil Technologies, Inc., Hermes – Epitek Corporation, GNOEM
5 Systems, Inc. and Efficient Power Conversion Corporation ("EPCC") as set forth herein.

6
7 I.

8 **INTRODUCTION**
9

10 1. IR is a pioneer and world leader in advanced power management technology.
11 This Complaint seeks to halt Defendants' ongoing scheme and conspiracy to unlawfully
12 and unfairly compete against IR, by stealing the Company's own proprietary information,
13 trade secrets, intellectual property ("IP") and technology and using it to compete against
14 IR. While at IR, Alex Lidow ("Lidow"), the former CEO and putative head of research
15 and development, knew of and had been involved in the development of revolutionary
16 market breaking Gallium Nitride ("GaN") technology, which is one of the newest
17 developments in the power management and controls industry. Lidow later approached
18 various co-defendants with a plan to illicitly expropriate IR's secret GaN research
19 information and other relevant proprietary information, trade secrets, intellectual property
20 ("IP") and technology.

21
22 2. Thereafter, Lidow and his co-defendants formed an enterprise by utilizing a
23 new company first designated as "Undercover Company," and then publicly filed and
24 named EPCC. This enterprise illegally transferred IR's proprietary information, trade
25 secrets, IP, technology and other property pertaining and related to the GaN technology to
26 EPCC. Defendant Lidow and his co-defendants engaged in "corporate raiding" of IR's
27 key GaN research and development personnel. Defendants Aixtron AG, Episil
28 Technologies, Inc., and Hermes – Epitek, historically business collaborators with IR,

1 secretly encouraged and cooperated with the Defendants' attack on IR.

2
3 3. By engaging in the acts alleged in this Complaint, Defendants, among other
4 things, have violated the Racketeer Influenced and Corrupt Organizations Act, and have
5 engaged in mail fraud, wire fraud and the receipt and transportation of stolen property,
6 misappropriation of trade secrets and unfair competition. Moreover, through their
7 elaborate fraudulent scheme to rob International Rectifier of its intellectual property and
8 personnel, Defendants have breached their fiduciary duties and duties of loyalty to IR,
9 breached lawful confidentiality and nondisclosure agreements, committed common law
10 fraud, and unlawfully converted property owned by IR. In bringing this action before the
11 court, IR seeks an order preliminarily and permanently enjoining Defendants from further
12 unlawful conduct and a judgment awarding actual, treble, and punitive damages, as well as
13 costs and attorneys' fees.

14
15 **III.**

16 **JURISDICTION AND VENUE**

17
18 4. This Court has jurisdiction over the claims for relief arising under the
19 Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. §§ 1961, *et seq.*,
20 pursuant to 18 U.S.C. § 1964(c). Original jurisdiction is proper pursuant to 28 U.S.C. §
21 1337, and supplemental jurisdiction exists over the state law causes of action pursuant to
22 28 U.S.C. § 1367(a).

23
24 5. Venue is proper in this Court under 28 U.S.C. § 1391(b) because a
25 substantial part of the events giving rise to the claims asserted herein occurred within this
26 judicial district, in that the acts of mail and wire fraud, transportation and receipt of stolen
27 property, misappropriation of trade secrets, unfair competition, conversion, conspiracy,
28 breach of duty of loyalty, breach fiduciary duty and fraud occurred within this judicial

1 district. Venue is also proper in the Central District of California under 18 U.S.C. §§
2 1381(b) and 1965(a) because Defendants Lidow, Beach, Cao, Tam, Nakata, Zhao, and
3 EPCC reside in this judicial district and all Defendants transact business within this
4 judicial district.

5 6 II.

7 THE PARTIES

8 6. IR, based in El Segundo, California, is a pioneer and world leader in
9 advanced power management technology, from digital, analog and mixed-signal Integrated
10 Circuits to advanced circuit devices, power systems and components. The world's leading
11 manufacturers of computers, appliances, automobiles, consumer electronics and defense
12 systems rely on IR technology to drive the performance and efficiency of their products.
13 The Company, which has been a public company for over 50 years, currently has annual
14 sales of approximately \$1 billion dollars.

15
16 7. Defendant Alex Lidow ("Lidow") is an individual residing in Marina del
17 Rey, California. Lidow is a former member of the Board of Directors ("Board") and
18 former Chief Executive Officer ("CEO") of IR.

19
20 8. Defendant Robert Beach ("Beach") is an individual residing in La Crescenta,
21 California. Beach is a former employee of IR.

22
23 9. Defendant Jianjuan "Joe" Cao ("Cao") is an individual residing in Torrance,
24 California. Cao is a former employee of IR.

25
26 10. Defendant David Tam ("Tam") is an individual residing in Manhattan Beach,
27 California. Tam is a former employee of IR.

1 11. Defendant Alana Nakata ("Nakata") is an individual residing in Redondo
2 Beach, California. Nakata is a former employee of IR.

3
4 12. Defendant Stephen Tsang ("Tsang") is an individual believed to reside in
5 Hong Kong. Tsang is a former employee of IR.

6
7 13. Defendant Guangyuang Zhao ("Zhao") is an individual residing in Torrance,
8 California. Zhao is a former employee of IR.

9
10 14. All Defendants who were previously employed at IR signed confidentiality
11 and/or nondisclosure agreements, obligating them to devote their work-related efforts to
12 their duties at IR, to relinquish any interest in patentable intellectual property developed
13 during their employment at IR, to protect and preserve IR's information, trade secrets, IP
14 and technology, and further agreeing that those obligations continued beyond the
15 termination of their employment with IR.

16
17 15. Defendant GNOEM is a California corporation with its principal place of
18 business at Bolder Creek, California.

19
20 16. Defendant EPCC is a Delaware corporation with offices in El Segundo,
21 California. Defendants Lidow, Beach, and Cao are directors of EPCC.

22
23 17. Defendant Aixtron AG ("Aixtron") is a German corporation with offices in
24 the United States and is a close collaborator of IR's, specifically with regard to IR's GaN
25 research and development efforts.

26
27 18. Defendant Episil Technologies, Inc. ("Episil") is a Taiwan corporation and a
28 business collaborator with IR which produces silicon wafers for semiconductor products.

19. Defendant Hermes – Epitek Corporation ("Hermes – Epitek") is a Taiwan corporation with offices in Sunnyvale, California, and a business collaborator with IR which is a importer/ exporter and wholesaler of semiconductor devices.

IV.

FACTUAL BACKGROUND

20. IR was founded in 1947 by Alex Lidow's family. From 1994 until his resignation in October 2007, Lidow was a member of IR's Board. From 1999 until his resignation in October 2007, Lidow was the Company's Chief Executive Officer ("CEO").

21. In 2007, the Audit Committee of IR's Board (the "Committee") retained independent outside legal counsel to conduct an internal investigation into allegations of financial misconduct and abuse. Lidow was placed on administrative leave in August of 2007. On October 2, 2007, at the request of the Board, Lidow resigned both as IR's CEO and as a Director. Lidow and IR entered into a Separation Agreement pursuant to which Lidow agreed to return all IR property and to provide IR a copy of all Company information which was on his personal laptop. The Separation Agreement provided, in its relevant part, that Lidow's Patent Policy and Conflict of Interest Policy remain in full force and effect. The Separation Agreement contains no release of claims by either Lidow or IR.

22. Lidow initiated a secret plan to set up and run a separate, competing company in contravention of his employment and fiduciary duties to IR. Lidow first denominated his new company as "Undercover Company." Lidow later incorporated and renamed this company EPCC.

The Beginnings

23. In November 2006, the Committee became concerned about alleged problems

1 within the organization. Glass, Lewis & Co., an analyst of public companies, had issued a
2 report questioning a number of IR's financial activities, policies and procedures. In
3 response, the Committee retained independent outside legal counsel and asked them to
4 conduct a comprehensive internal inquiry.

5
6 24. Recognizing he could not stop the Committee's investigation and that it was
7 likely that his longevity as CEO would be affected, Lidow had to consider other options.

8
9 **Early Involvement with GaN**

10
11 25. Early on, Lidow recognized that GaN technology could be the "future" of
12 power electronics and control technology. In 2003, Lidow sought to acquire a company
13 known as GaNrose and recruited Beach, one of GaNrose's founding associates. IR
14 acquired GaNrose because Beach and his associates supposedly had exceptional expertise
15 in the GaN technology field. IR acquired GaNrose for a sum in excess of \$800,000, at the
16 express direction of Lidow.

17
18 26. Between March and September 2003, around the same period of time that IR
19 was negotiating the purchase of GaNrose and the hiring of its partners, Beach and others
20 incorporated GNOEM, another GaN related company. According to GNOEM's website,
21 the company's purpose is "working towards solutions that utilize the advantages of GaN."
22 See <http://www.gnoem.com>. GNOEM's business plans suggest that, among other things,
23 the company was developing a "μsaw" and endeavoring to develop the capability to
24 produce Epi (epitaxial) wafers for use in GaN power technology.

25
26 27. Beach was hired by IR in late September 2003. As terms of his employment
27 at IR, Beach executed documents requiring him to devote all of his efforts to his duties at
28 IR, to relinquish any interest in patentable intellectual property developed during his

1 employment, and to protect and preserve IR's information, trade secrets, IP, and
2 technology.

3
4 28. Beach ran GNOEM during his employment with IR in spite of the
5 nondisclosure agreements he executed requiring his efforts be devoted fully to IR. Beach
6 did not disclose his interest in this or any other company when he was hired by IR at the
7 end of September 2003. Moreover, at or about that time, Beach registered the domain
8 name www.gnoem.com. IR was unaware of the creation of GNOEM, the domain name, or
9 the diversion of technology to GNOEM.

10
11 **The Plan**

12
13 29. As CEO and putative head of research and development at IR, and an expert
14 himself on power electronic and control technologies, Lidow knew that GaN technology
15 could be the revolutionary, market-breaking technology in the power management field.
16 He was aware of and had personally been involved in IR's GaN research. In fact, Lidow
17 oversaw IR's expenditure of more than \$60 million towards the development of GaN
18 power electronic and control technology as the next important advancement in the power
19 management and controls industry.

20
21 30. Lidow also knew that IR maintained the research and development of GaN in
22 great secrecy to ensure that it would become an early entrant into GaN power electronic
23 and control technology. In fact, Mike Briere, the Company's Chief Technology Officer
24 ("CTO") and Head of Research and Development until December 2007, instructed
25 members of the GaN research and development group, known by the pseudonym "CSC",
26 to maintain a very low profile within the Company. Briere reported directly to Lidow.
27 IR's GaN research efforts were intentionally kept secret from most of IR's personnel and
28 from the outside world to protect some of its most valuable assets, information, trade

1 secrets, IP and technology.

2
3 31. In or about the summer of 2007, Lidow forestalled a planned public
4 disclosure of the Company's advancements in GaN research. As a result, IR's involvement
5 and successes in the field of GaN research and development remained under wraps and
6 essentially unknown to both the outside power management business world and most of
7 IR's own employees.

8
9 32. In the early fall of 2007, Lidow separately approached personnel in the
10 Company's GaN research and development group, and senior officers involved in sales and
11 distribution of the Company's products. Lidow presented them with his plan to illicitly
12 expropriate IR's GaN research findings, and all other relevant proprietary information,
13 trade secrets, IP and technology, and to illegally convert it to the use and benefit of a new
14 company, EPCC, which would directly compete with and operate to the detriment of IR.

15
16 33. In the early fall of 2007, Lidow contacted a former senior IR employee to
17 obtain the contact details for Archie Hwang. Hwang was the founder and principal of
18 Hermes-Epitek and of Episil, an "epitaxial" foundry in Taiwan, which makes "wafers" for
19 the power management and control industry. Episil and Hermes-Epitek are business
20 collaborators of IR; Episil makes wafers specifically for IR's research and development
21 group.

22
23 34. Starting on or about October 11, 2007, Lidow formalized his plan to set up a
24 company to compete with IR in the GaN technology market by preparing a business plan
25 which essentially mirrored IR's plans for its GaN research and development. He entitled it
26 "Undercover Company." Lidow secretly shared this business plan with Tam, Beach and
27 Cao.

28

1 35. In early October 2007, Tam, with David Yap and other senior IR employees,
2 secretly produced and presented a business plan to Lidow describing another breakaway
3 entity from IR that was to be directly linked to "Undercover Company." The business plan
4 was entitled "SEED2," with the "D2" standing for the two Davids (Tam and Yap). Tsang,
5 IR's Head of Sales for the Asia Pacific region until April of 2008, was a close associate of
6 Tam and was also involved in the plans for the SEED2 entity.

7
8 36. During October 2007, Lidow aggressively recruited Beach and Cao for
9 "Undercover Company." Lidow specifically sought them out because they were both
10 senior members of IR's GaN research and development group, CSC. Additionally, Cao
11 was designated by CTO Briere to be the sole point of contact between the GaN research
12 efforts in El Segundo and a small but highly skilled group of IR engineers working on GaN
13 research in Minnesota, which IR had acquired from a company known as APA Enterprises,
14 Inc. in March of 2006.

15
16 37. In mid-October 2007, Lidow hosted a "partners meeting", at Lidow's home,
17 attended by Beach, Cao, Nakata, Tam and David Yap to discuss the business plan of
18 "Undercover Company."

19
20 38. The Minnesota group, led by Ron Birkhahn, became a key Epi (epitaxial)
21 growing facility for IR's GaN research. The group utilized both a Veeco D180, and later
22 an Aixtron G4 reactor for that process. In November 2007, Beach asked Birkhahn to leave
23 IR and join the new start-up company (Undercover Company/EPCC) in which Beach was
24 involved. Birkhahn rebuffed Beach's proposition.

25
26 39. Lidow also recruited Cao, whose wife, Yaping Ma, was responsible for mask
27 development and control in IR's El Segundo GaN research project. Yaping Ma had access
28 to some of the most critical components of IR's GaN research and development project.

1 40. In October 2007, Beach and Cao secretly decided to leave IR and join
2 Lidow's new company. In mid-October they announced their intention to leave. CTO
3 Briere, who was Beach and Cao's ultimate supervisor, became aware of their imminent
4 departure and instructed their immediate supervisor, Rick Sivan, to investigate what
5 information, trade secrets, IP and technology to which they had access, and to determine
6 what they were working on just prior to their departure.

7
8 41. Rick Sivan, IR's Vice President of Research and Development, conducted
9 exit interviews with Beach and Cao, specifically admonishing them to abide by the
10 confidentiality and nondisclosure agreements and other related obligations they had agreed
11 to as IR employees, particularly with regard to the Company's confidential information,
12 trade secrets, IP and technology.

13
14 42. Notwithstanding these obligations and his supervisor's admonitions, Beach,
15 downloaded and sent files that contained IR's GaN information to his third party server
16 registered as www.gnoem.com at GNOEM, on October 16 and, again, on October 26,
17 2007. Beach's and Cao's last day of employment with IR was October 30, 2007.

18
19 43. On October 30, 2007, Beach and Cao formally joined forces with Lidow.
20 That same day, Lidow incorporated "Undercover Company" in Delaware under the name
21 Efficient Power Conversion Corporation or EPCC. The directors of EPCC are Lidow,
22 Beach, and Cao. The offices of EPCC are located at 400 Continental Boulevard, Suite
23 600, El Segundo, California, just blocks away from IR's headquarters.

24
25 44. Lidow also recruited Zhao, a Chinese national whom IR had sponsored for a
26 H1-B Visa to allow him to work in the United States. Zhao worked in the Company's GaN
27 research group in Minnesota and conducted key GaN research using the Aixtron G4 and
28 Veeco D180 reactors.

1 45. In January 2008, Lidow, as head of EPCC, filed an application with the
2 United States Immigration Service to amend Zhao's H1-B Visa to name EPCC as the
3 sponsoring agent. Lidow's application outlined his intention to employ Zhao at EPCC in a
4 remarkably similar role as the one Zhao had at IR. Zhao, who was still employed by IR
5 during the time Lidow filed the amended visa application, did not resign from IR until
6 February 16, 2008.

7
8 46. Another GaN technology expert, Nakata, while employed at IR, tested and
9 evaluated new wafers and product designs and, thus, has valuable GaN technology skills.
10 On information and belief, Defendant Nakata was solicited to join EPCC. On or about
11 February 1, 2008, Lidow formally hired Nakata away from IR to work at EPCC.

12
13 47. Lidow also hired Audrey Downes, a former senior administrative assistant at
14 IR, immediately after she left the Company.

15
16 **Recruitment of IR Business Collaborators**

17
18 48. In January 2008, IR learned that Lam Research Corporation, the Company's
19 "etch" supplier, had been contacted by Cao in his capacity as an employee of EPCC. Cao
20 had requested that Lam supply him with etching specifications essentially identical to
21 those used by IR for his use at Episil, a foundry in Taiwan.

22
23 49. Shortly thereafter, certain Defendants made numerous trips to Episil's
24 factories. For example, on or about November 19 and 20, 2007, Beach, Cao, and Lidow
25 traveled to Taiwan to meet with Archie Hwang at Episil. On or about November 26, 2007,
26 Lidow communicated with personnel at Hermes-Epitek, as a follow-up to the meeting with
27 Archie Hwang and others at Episil. Hermes-Epitek is the companion company of Episil,
28 providing professional services and training for semi-conductor and high-tech processes

1 and technology. On or about March of 2008, Cao again traveled to Taiwan to meet at
2 Episil. On or about May 5, 2008, Lidow, Beach, Nakata, Cao and Zhao traveled to Taiwan
3 to meet at Episil.

4
5 50. Defendants also met and worked with Defendant Aixtron, another IR business
6 collaborator. In or about June of 2008, Zhao met with Yulmas Dimke in Aachen,
7 Germany, at Aixtron's premises. Dimke is employed by Aixtron. IR personnel had closely
8 collaborated with Dimke in their GaN research and development efforts, and Dimke
9 regularly visited IR's Minnesota GaN group. Dimke was responsible for the installation
10 and trial runs of IR's Aixtron G4 Reactor. As a result, he had access at one time or another
11 to virtually all of IR's GaN-related information, trade secrets, IP, and technology. As part
12 of the scheme, the Defendants at EPCC sought out and utilized Aixtron as its Epi
13 (epitaxial) grower, just as IR does and did for its GaN effort.

14
15 51. While employed at IR in June 2008, Tam traveled to Hong Kong to meet with
16 Tsang. Thereafter, in July 2008, Tam traveled to Tel Aviv and Hong Kong, purportedly on
17 IR business. Instead, Tam met with GaN scientists in furtherance of the scheme's business
18 plans. Defendant Tam billed IR for the travel expenses he incurred.

19
20 52. Similarly, various Defendants sought out and engaged in additional
21 collaborations with entities that have ongoing business relationships with IR for similar or
22 identical purposes. These companies include: Nitronix, Wafer Works, Samco, Promex,
23 Soitec and Picogiga. In addition, like IR's GaN Research and Development group, EPCC
24 has used facilities at the University of California, Los Angeles for "gate stack etching," and
25 other procedures critical to GaN research and development.

26
27 53. IR was damaged by Defendants' actions. Among other things, IR's harm
28 includes the unauthorized taking and conversion of its information, trade secrets,

1 intellectual property, and technology by the Defendants without permission or license, and
 2 its use, (1) in a manner intended to undermine and destroy IR's leadership in GaN power
 3 electronics and control technology, (2) in a manner inconsistent with IR's choices as to
 4 with whom it would share its highly confidential proprietary information, trade secrets, IP
 5 and technology, (3) in a manner inconsistent with and adverse to IR's business interests
 6 and plans to exploit its GaN research and development in the market, and (4) in a manner
 7 which significantly diminished the value of IR's \$60 million-plus expenditure on GaN
 8 research and its related efforts to maintain that research project and its results confidential.

9
 10 54. Further, by engaging in their unlawful conduct, Defendants caused IR to lose
 11 much of the value of its multi-million dollar research expenditures on both GaN-related
 12 projects and personnel. In addition to the losses from the theft of its information, trade
 13 secrets, IP and technology, IR was damaged and harmed because Defendants sought out
 14 and prevailed upon IR's highly trained personnel to abandon IR in favor of EPCC in order
 15 to undermine and destroy IR's existing capability to do GaN power control and electronics
 16 technology research and development, and to create, manufacture and sell new products in
 17 the power management industry. IR has been damaged and harmed by having to bear the
 18 costs and expense associated with the loss of these personnel, their expertise and
 19 experience, and the loss of continuity of their efforts in support of IR's GaN research and
 20 development and IR's first, to, market advantage for its GaN technology.

21 22 V.

23 FIRST CLAIM FOR RELIEF

24 (Violation of the Racketeer Influenced and Corrupt Organizations Act,
 25 18 U.S.C. § 1962(c) Against all Defendants excluding GNOEM)
 26

27 55. IR re-alleges and incorporates by reference herein, as if set forth in
 28 full, the allegations set forth above in all paragraphs 1 through 54 of this Complaint.

1 proprietary information, trade secrets, IP and technology of IR; (2) to wrongfully and
2 unlawfully use and exploit the proprietary information, trade secrets, IP and technology of
3 IR to obtain dominance in the GaN technology market by illegally using IR's own
4 information, trade secrets, IP, and technology against it; (3) to deprive IR of the use and
5 enjoyment of its proprietary information, trade secrets, IP and technology; and (4) to
6 deprive IR of sales and market position and power it otherwise could have attained were it
7 not for Defendants' wrongful and unlawful use of stolen information, trade secrets, IP and
8 technology.

9
10 61. Defendants have violated 18 U.S.C. § 1962(c), by conducting or
11 participating in the conduct of the enterprise's affairs through a pattern of racketeering
12 activity.

13
14 *Use of the U.S. Mails, Private Or Commercial Interstate Carriers,*
15 *And Interstate Wires*

16 62. Defendants acting in concert, have unlawfully, willfully, and
17 knowingly used the U.S. mails, private or commercial interstate carriers, and interstate
18 wires in furtherance of their scheme and artifice to defraud IR and to deprive it of its
19 property rights in proprietary and trade secret information, including, but not limited to, the
20 following:

21
22 63. In or around the summer of 2007, Lidow was aware that IR was going
23 to publicly disclose a breakthrough in its GaN research, utilized email and interstate wire
24 communications to direct that the public disclosure be forestalled and that IR not publicly
25 identify the status or success of its GaN-related activities.

26
27 64. In the fall of 2007, Lidow and his co-defendants utilized email and
28 interstate wire communications while planning to siphon off IR's information, trade

1 secrets, and technology, and to identify companies with which they could work and
2 continue to work on GaN technology, particularly those companies which had been
3 already working with IR and had access to IR's information, trade secrets and technology,
4 usually through Non-Disclosure Agreements ("NDA"s).

5
6 65. In or about October 2007, Lidow used email and interstate wire
7 communications to recruit IR employees Tam, Cao, Beach and others to join his new
8 entity, "Undercover Company," in unlawful competition with IR.

9
10 66. In the early fall of 2007, Defendants used email and interstate wire
11 communications to recruit other IR personnel, including, but not limited to, IR employee
12 Ron Birkhahn to join "Undercover Company", in unlawful competition with IR. On
13 information and belief, Defendants continue to use email and interstate wire
14 communications to recruit other IR personnel to join EPCC.

15
16 67. On or about October 16, 2007, while employed by IR, Beach utilized
17 email and interstate wire communications to send files that contained the Company's GaN
18 information to his third party server registered as www.gnoem.com.

19
20 68. On or about October 26, 2007, while employed by IR, Beach utilized
21 email and interstate wire communications to send files that contained the Company's
22 propriety information, trade secrets, IP, and technology to his third party server registered
23 as www.gnoem.com.

24
25 69. On or about October 26, 2007, Lidow utilized email and interstate
26 wire communications and informed IR employees Beach and Cao that he had incorporated
27 EPCC, in furtherance of their scheme and enterprise.

28

1 70. On information and belief, in or about the fall and winter of 2007 and
2 continuing to the present, Defendants utilized email and interstate wire communications to
3 communicate with various suppliers of IR, to wrongfully obtain and attempt to obtain
4 highly sensitive information regarding the Company's GaN research efforts, information
5 that constituted confidential and proprietary information, trade secrets, IP and technology,
6 and which was protected by Non-Disclosure Agreements ("NDAs").

7
8 71. On or about May 2008, Lidow and Nakata corresponded by email and
9 utilized interstate wire communications to plan their trip to Taiwan to meet with
10 representatives of Episil, the purpose of which was to wrongfully obtain and attempt to
11 obtain highly sensitive information regarding the Company's GaN research efforts,
12 information that constituted confidential and proprietary information, trade secrets, IP and
13 technology, and which was protected by NDAs.

14
15 72. On information and belief, Lidow, Beach, Cao, and Nakata continue
16 to correspond by email and utilize interstate wire communications to plan trips to Taiwan
17 and Germany to meet with co-defendants Episil, Hermes –Epitek and Aixtron, to
18 wrongfully obtain and attempt to obtain highly sensitive information regarding the
19 Company's GaN research efforts, information that constituted confidential and proprietary
20 information, trade secrets, IP and technology, and which was protected by NDAs.

21
22 *Interstate Transportation in Connection with the Receipt, Possession, Concealment and*
23 *Use of Property Obtained By Theft, Conversion, Or Fraud*

24 73. In or about May 2008, Cao, Lidow, Beach, Nakata and Zhao traveled
25 to Taiwan by interstate and international carrier to meet with representatives of Episil and
26 Hermes –Epitek, to wrongfully obtain and attempt to obtain highly sensitive information
27 regarding the Company's GaN research efforts, information that constituted confidential
28 and proprietary information, trade secrets, IP and technology, and which was protected by

1 NDAs.

2

3 74. In or about June 2008, Zhao traveled to the facilities of Aixtron in
4 Germany by interstate and international carrier to meet with Aixtron employee Yulmas
5 Dimke to wrongfully obtain and attempt to obtain highly sensitive information regarding
6 the Company's GaN research efforts, information that constituted confidential and
7 proprietary information, trade secrets, IP and technology, and which was protected by
8 NDAs.

9

10 75. In or about May and June 2008, Zhao, Cao and Nakata traveled to
11 Taiwan by interstate and international carrier to meet with Hermes –Epitek and Episil. On
12 information and belief, Beach and Zhao thereafter traveled to Aixtron in Germany, and to
13 Hermes-Epitek and Episil in Taiwan. Throughout this period they possessed, concealed
14 and used sensitive information, trade secrets, IP and technology with a value in excess of
15 \$5,000, belonging to IR, which had been illegally taken and converted as part of the
16 racketeering activity of the *Lidow Asset Theft Enterprise*.

17

18 76. On information and belief, Defendants continue to travel to Aixtron
19 and Episil/ Hermes –Epitek in Germany and Taiwan, respectively, while possessing,
20 concealing and using sensitive information, trade secrets, IP and technology, with a value
21 in excess of \$5,000, belonging to IR, which had been illegally taken and converted as part
22 of the racketeering activity of the *Lidow Asset Theft Enterprise*.

23

24 77. Defendants, acting in concert, have unlawfully, knowingly, and
25 intentionally engaged in two or more acts indictable under the Federal Mail Fraud Statute,
26 18 U.S.C. § 1341, the Federal Wire Fraud Statute, 18 U.S.C. § 1343, and the Federal
27 Interstate Receipt of Stolen Property Statute, 18 U.S.C. § 2315, and have therefore
28 unlawfully, fraudulently, and intentionally engaged in predicate acts of racketeering within

1 the meaning of 18 U.S.C. § 1961(1)(B).

2
3 78. As a direct and proximate result of the Defendants' acting in concert
4 and their willful and unlawful participation in and conduct of the *Lidow Asset Theft*
5 *Enterprise*, through a pattern of racketeering in violation of 18 U.S.C. § 1962(c), IR has
6 been injured in its business and property, as described in paragraphs 52 and 53 above.

7
8 79. Pursuant to 18 U.S.C. § 1964, IR is entitled to damages, including
9 treble damages, for the injuries, and is entitled to costs of the suit, including reasonable
10 attorney's fees.

11
12 80. IR seeks damages in an amount to be proven, as well as attorneys' fees
13 and costs to the extent allowed by law.

14
15 **SECOND CLAIM FOR RELIEF**

16 (Violation of the Racketeer Influenced and Corrupt Organizations Act,
17 18 U.S.C. § 1962(d) Against All Defendants excluding GNOEM)

18
19 81. IR re-alleges and incorporates by reference herein, as if set forth in
20 full, the allegations set forth above in all paragraphs 1 through 80 of this Complaint.

21
22 82. Defendants Lidow, Beach, Cao, Tam, Nakata, Tsang, Zhao, Aixtron,
23 Episil, Hermes –Epitek and EPCC, intentionally acting in concert, have unlawfully,
24 fraudulently, and intentionally conspired together to violate 18 U.S.C. § 1962(c).

25
26 83. Specifically, Defendants acting in concert, have unlawfully,
27 fraudulently, and intentionally conspired together to (a) obtain and misuse IR's proprietary
28 information, trade secrets, intellectual property and technology to gain an unfair business

1 advantage over IR; (b) misuse such to dominate the market for power management
 2 technology, and (c) conduct other illegal activities in furtherance of their scheme to
 3 defraud IR.

4
 5 84. As a direct and proximate result of Defendants' wrongful and
 6 unlawful actions described herein, IR has sustained actual damages as described in
 7 paragraphs 52 and 53 above, and will continue to incur and sustain such damage in the
 8 future on an ongoing and continuing basis.

9 10 **THIRD CLAIM FOR RELIEF**

11 (Fraud and Deceit Pursuant to California Civil Code § 1709 *et seq.*

12 Against All Defendants)

13
 14 85. IR re-alleges and incorporates by reference herein, as if set forth in full, the
 15 allegations set forth above in all paragraphs 1 through 54 of this Complaint.

16
 17 86. Lidow, Beach, Cao, Tam, Nakata, Tsang, Zhao, GNOEM, Aixtron, Episil,
 18 Hermes –Epitek, and EPCC acting in concert unlawfully, willfully, and knowingly took
 19 specific actions in furtherance of their scheme and artifice to defraud IR and to deprive IR
 20 of its property rights in proprietary and information, trade secrets, IP and technology.

21
 22 87. Lidow, Tam and David Yap knowingly and intentionally concealed their
 23 plans from IR to illegally misappropriate the Company's information, trade secrets, IP and
 24 technology and transfer such information to their competitor company, originally entitled
 25 "Undercover Company" and later incorporated as EPCC so that Defendants could develop,
 26 market and sell IR's GaN technology through EPCC. Defendant Tam knowingly and
 27 intentionally concealed from IR the "SEED2" business plan to form another breakaway
 28 entity to be directly linked to "Undercover Company."

1 88. Lidow knowingly and intentionally concealed his plans from IR to solicit
2 IR's most skilled and knowledgeable GaN technology personnel to leave IR and join his
3 newly formed company, EPCC.

4
5 89. In spite of agreements in which Beach was obliged to devote all of his efforts
6 to his work at IR, and to relinquish any interest in patentable IP developed during his
7 employment, and to protect and preserve IR's information, trade secrets, IP and
8 technology, Beach knowingly and intentionally concealed from IR his formation of a
9 second company GNOEM, which also develops GaN technology. Beach also knowingly
10 and intentionally concealed from IR that the fact that he registered the domain name
11 www.gnoem.com while employed at IR.

12
13 90. Moreover, in spite of receiving admonitions from Rick Sivan to abide by the
14 confidentiality and nondisclosure agreements and other obligations he had to agreed to as
15 an IR employee, Beach knowingly and intentionally concealed the fact that he illegally
16 misappropriated IR's information, trade secrets, IP and technology and transferred such
17 information to EPCC, for Defendants' own use and to the detriment of IR. Specifically,
18 Beach knowingly and intentionally concealed from IR the fact that he downloaded and
19 sent files that contained IR's information, trade secrets, IP and technology to his third party
20 server registered at www.gnoem.com at GNOEM, on October 16 and, again, on
21 October 26, 2007.

22
23 91. In spite of nondisclosure and confidentiality agreements which they executed
24 as IR employees obligating them to devote all efforts to their work at IR, to relinquish any
25 interest in patentable IP developed during their employment, and to protect and preserve
26 IR's information, trade secrets, IP and technology, Tam, Nakata, Tsang and Zhao
27 knowingly and intentionally concealed from IR their intention to leave IR and to illegally
28 transfer IR's information, trade secrets, IP and technology to EPCC.

1 92. Aixtron, Episil and Hermes –Epitek, business collaborators of IR who had
2 access to IR's GaN- related information, trade secrets, IP and technology, and had entered
3 into NDAs with IR, knowingly and intentionally concealed from IR their efforts to
4 encourage Lidow, Beach and Cao to illegally transfer IR's information, trade secrets, IP
5 and technology to EPCC. Aixtron and Episil also knowingly and intentionally concealed
6 from IR their work with co-Defendants to develop virtually identical GaN products as
7 those being developed by IR.

8
9 93. GNOEM knowingly and intentionally concealed from IR the efforts of its
10 directors and employees to illegal transfer IR's information, trade secrets, IP and
11 technology to GNOEM/ EPCC.

12
13 94. EPCC knowingly and intentionally concealed from IR the efforts of its
14 directors and employees to illegal transfer IR's information, trade secrets, IP and
15 technology to EPCC. EPCC also knowingly and intentionally concealed from IR its work
16 with Defendants to develop virtually identical GaN products as those being developed by
17 IR.

18
19 95. By virtue of their employment relationship with IR, Lidow, Beach, Cao,
20 Tam, Nakata, Tsang and Zhao owed IR a duty to disclose any misappropriation,
21 conversion, or misuse of its information, trade secrets, IP or technology. At all times
22 however, the above named Defendants knowingly and intentionally concealed their
23 intentions to illegally transfer IR's information, trade secrets, IP and technology to EPCC
24 and to leave IR's employment to work at EPCC.

25
26 96. Similarly, by virtue of their business relationships with IR and access to its
27 confidential information, Aixtron, Hermes –Epitek and Episil owed IR a duty to disclose
28 any misappropriation, conversion, or misuse of its information, trade secrets, IP or

1 technology. At all times however, Aixtron, Hermes –Epitek and Episil knowingly and
2 intentionally concealed (a) their efforts to encourage co-Defendants to raid IR of its
3 confidential information, trade secrets, IP and technology and (b) formation of EPCC and
4 (c) their work with Defendants to develop virtually identical GaN products as those of IR
5 in spite of their NDAs.

6
7 97. IR did not know of the true intentions of Lidow, Beach, Cao, Tam, Nakata,
8 Tsang and Zhao to raid its technology to give it EPCC and GNOEM. Rather, IR, relying
9 on the fact that these Defendants executed confidentiality agreements and the expectation
10 that they were loyal employees and officers to the company, provided these Defendants
11 with access to its most valuable GaN information, trade secrets, IP and technology. Had
12 IR known of these Defendants' true intentions, it would have immediately terminated these
13 Defendants and denied them access to this valuable information.

14
15 98. IR did not know of Aixtron's, Hermes –Epitek's and Episil's true intentions to
16 encourage Defendants to raid IR's corporate assets and to work with Defendants to create
17 virtually identical GaN products. Rather, IR, relying on the fact that Aixtron and Episil
18 had executed NDAs provided these Defendants with access to its most valuable GaN
19 information, trade secrets, IP and technology. Had IR known of these Defendants' true
20 intentions, it would have denied them access to its valuable information.

21
22 99. As a proximate result of the actions of Defendants, IR has sustained
23 significant damages as described in Paragraphs 52 and 53, the amount of which will be
24 proven at trial.

25
26 100. As a proximate cause of the fraud and deceit of these Defendants as alleged
27 herein, IR has suffered and will continue to suffer consequential damages in an amount
28 according to proof, included but not limited to attorneys' fees and costs and other time and

1 money spent to recover the value of the technology and labor of which it has been
2 defrauded.

3
4 101. Lidow, Beach, Cao, Tam, Nakata, Tsang, Zhao, GNOEM, Aixtron, Episil,
5 Hermes –Epitek and EPCC knowingly combined and conspired to defraud and deceive IR
6 as described above. As a direct and proximate cause result of these Defendants' actions,
7 IR has suffered damages in an amount to be proven at trial. These Defendants are jointly
8 liable for the harm they have caused to IR through their conspiracy.

9
10 102. The actions of these Defendants, as described in the preceding paragraphs,
11 were willful, wanton, malicious, oppressive and were undertaken with the intent to defraud
12 IR. Accordingly, Defendants' actions justify an award of exemplary and punitive damages.

13
14 103. IR is informed and believes that these Defendants may have defrauded it of
15 other information, trade secrets, IP and/or technology, the full extent of which IR is
16 presently unaware. IR hereby gives notice that it reserves the right to amend this
17 Complaint to include any other wrongful actions of Defendants that IR discovers in the
18 course of this lawsuit and any further damages that it has suffered as a result.

19
20 **FOURTH CLAIM FOR RELIEF**

21 (Misappropriation of Trade Secrets -Cal. Civ. Code § 3426, *et seq.*

22 Against All Defendants)

23
24 104. IR re-alleges and incorporates by reference herein, as if set forth in full, the
25 allegations set forth above in all paragraphs 1 through 54 of this Complaint.

26
27 105. IR's proprietary and confidential information, research, technology, and
28 including, but not limited to: process recipes, drawings, business plans, technology

1 development plan, epi research configurations and specifications, device structures,
2 wafers, device test and characterization methodologies integrated process flows
3 interconnect metallurgy constitute trade secrets within the meaning of Civil Code Section
4 3426.1(d).

5
6 106. IR's GaN information, trade secrets, IP, and technology were unknown to the
7 public, and to IR's competitors. IR derived economic value, both actual and potential,
8 from it not being known because IR, in its leading role in power management and control,
9 would continue to have an economic and business advantage as an early entrant into the
10 power device market with GaN devices. IR's GaN technology is an entirely new form of
11 power management technology. Once commercialized, it will revolutionize the power
12 electronics and control industry. Thus, IR has every incentive to keep its GaN research
13 and development secret from the public and its competitors until the technology reaches a
14 more advanced stage of development.

15
16 107. IR took significant steps towards protecting its GaN information, trade
17 secrets, IP and technology. Specifically, IR's GaN epitaxial substrate research and
18 development group, known by the pseudonym CSC and located in Minnesota, was kept
19 secret not only from the public, but from the Company itself. Mike Briere, the Company's
20 CTO and Head of Research and Development, strictly instructed members of CSC to
21 maintain a very low profile within the Company. In fact, Cao was the only point of
22 contact between the Minnesota group and the rest of the GaN researchers in El Segundo,
23 California. IR's GaN research was also marked "confidential" or "proprietary" and
24 contained in a controlled area. Moreover, Lidow, Beach, Cao, Tam, Nakata, Tsang, and
25 Zhao signed agreements obligating them to protect IR's trade secrets and forbade the
26 unauthorized release of this information both at the inception and termination of their
27 employment. Before Beach and Cao departed, IR supervisors explicitly admonished them
28 to abide by their agreements and other obligations as IR employees, in particular with

1 regard to IR's confidential GaN information, trade secrets, IP, and technology.

2
3 108. IR also took significant steps towards protecting its GaN information, trade
4 secrets, IP and technology when dealing with Aixtron, Hermes –Epitek and Episil, its
5 business collaborators. Episil, an “epitaxial” foundry in Taiwan, which makes "wafers"
6 for the power management and control industry, made wafers specifically for IR's research
7 and development. Aixtron, among other things, provided IR with a G4 reactor, which was
8 used by IR's secret Minnesota CSC group. Episil and Aixtron executed nondisclosure
9 agreements which forbade the unauthorized release of confidential/ proprietary
10 information.

11
12 109. Lidow, Beach, Cao, Tam, Nakata, Tsang, and Zhao, as employees and/or
13 officers of IR, had an obligation to maintain the secrecy of IR's trade secrets and/or, at a
14 minimum, an obligation not to use information known to be IR's trade secrets for their
15 personal gain.

16
17 110. Despite these obligations, and acting together, Lidow, Beach, Cao, Tam,
18 Nakata, Tsang, Zhao and GNOEM misappropriated IR's trade secrets, information, IP and
19 technology. For example, Beach downloaded and expropriated files that contained IR's
20 trade secrets, and information, IP and technology to Beach's third party server at
21 www.gnoem.com at GNOEM. By providing this information to EPCC, Defendants
22 utilized these unlawfully obtained materials to develop GaN products for their own benefit
23 and that of GNOEM and EPCC and to the detriment of IR.

24
25 111. Additionally, Lidow, Beach, Cao, Tam, Nakata, Tsang, and Zhao acquired
26 IR's GaN information, trade secrets, IP and technology that they knew or had reason to
27 know was acquired by improper means from Aixtron, Hermes - Epitek and Episil, IR's
28 business collaborators who had executed NDAs.

1 112. Aixtron, Hermes - Epitek and Episil misappropriated IR's GaN information,
2 trade secrets, IP and technology by sharing this information with Lidow, Beach, Cao, Tam,
3 Nakata, Tsang, and Zhao in violation of the NDAs they executed with IR.

4
5 113. EPCC and GNOEM misappropriated IR's GaN information, trade secrets, IP
6 and technology by receiving and using such information it knew had been improperly
7 acquired by Defendants Lidow, Beach, Cao, Tam, Nakata, Tsang, Zhao, Aixtron, Hermes -
8 Epitek and Episil.

9
10 114. By virtue of the acts and omissions of Lidow, Beach, Cao, Tam, Nakata,
11 Tsang, Zhao, GNOEM, Aixtron, Episil, Hermes - Epitek and EPCC as hereinabove
12 alleged, Defendants are guilty of actual and threatened misappropriation of IR's trade
13 secrets, including willful and malicious misappropriation, within the meaning of the
14 Uniform Trade Secrets Act, thereby entitling IR to injunctive relief and monetary relief,
15 including exemplary damages as set forth in California Civil Code §§ 3426.2 and 3426.3,
16 respectively, in an amount to be proven at trial as well as attorneys fees as set forth in
17 California Civil Code § 3426.4.

18
19 115. Lidow, Beach, Cao, Tam, Nakata, Tsang, Zhao, GNOEM, Aixtron, Episil,
20 Hermes - Epitek and EPCC knowingly combined and conspired to misappropriate and use
21 the information, trade secrets, IP and technology of the Company. As a direct and
22 proximate result of these Defendants' actions, IR has suffered damages in an amount to be
23 proven at trial. These Defendants are jointly liable for the harm they have caused to IR
24 through their conspiracy.

25
26 116. IR has no adequate remedy at law to compel Defendants to cease their
27 wrongful acts. Unless the court grants an injunction, immediately halting the Defendants'
28 illegal conduct, IR may be compelled to prosecute a multiplicity of actions to remedy this

1 continuing unfair, unlawful, and/or fraudulent conduct.

2
3 **FIFTH CLAIM FOR RELIEF**

4 (Unfair Competition – Cal. Bus. & Prof. Code § 17200

5 Against all Defendants)

6
7 117. IR re-alleges and incorporates by reference herein, as if set forth in full, the
8 allegations set forth above in all paragraphs 1 through 54 of this Complaint.

9
10 118. The conduct of Lidow, Beach, Cao, Tam, Nakata, Tsang, Zhao, GNOEM,
11 Aixtron, Episil, Hermes - Epitek and EPCC, as alleged herein, constitutes an unlawful,
12 unfair, and/or fraudulent business act or practice, in violation of California Business &
13 Professions Code § 17200, *et seq.* Such acts include, but are not limited to, Defendants'
14 misappropriation, use and distribution of IR's confidential GaN information, trade secrets,
15 IP and technology.

16
17 119. As a result of Defendants' conduct, IR has suffered actual damages,
18 including out-of-pocket losses.

19
20 120. Defendants knowingly combined and conspired to unlawfully and unfairly
21 compete against IR by misappropriating and using IR's confidential GaN information,
22 trade secrets, IP and technology. As a direct and proximate cause result of these
23 Defendants' actions, IR has suffered damages in an amount to be proven at trial. These
24 Defendants are jointly liable for the harm they have caused to IR through their conspiracy
25 and each Defendant personally participated in the acts alleged.

26
27 121. IR alleges on information and belief that Lidow, Beach, Cao, Tam, Nakata,
28 Tsang, Zhao, GNOEM, Aixtron, Episil, Hermes - Epitek and EPCC are continuing to

1 engage in acts of unfair competition to IR's detriment. IR has no adequate remedy at law
2 to compel Defendants to cease their wrongful acts. Unless the Court grants an injunction
3 halting the Defendants' illegal acts, IR will be compelled to prosecute a multiplicity of
4 actions to remedy this continuing unfair, unlawful and/or fraudulent conduct.

5 Accordingly, IR is entitled to injunctive relief pursuant to California Business &
6 Professions Code § 17203.

7
8 **SIXTH CLAIM FOR RELIEF**

9 (Conversion Against Defendants

10 Lidow, Beach, Cao, Tam, Tsang, Nakata, Zhao, GNOEM and EPCC)

11
12 122. IR re-alleges and incorporates by reference herein, as if set forth in full, the
13 allegations set forth above in all paragraphs 1 through 54 of this Complaint.

14
15 123. By improperly obtaining and using property owned by IR, Lidow, Beach,
16 Cao, Tam, Tsang, Nakata, Zhao, GNOEM and EPCC have converted IR's property to their
17 own benefit.

18
19 124. The property improperly converted by Lidow, Beach, Cao, Tam, Tsang,
20 Nakata, Zhao, GNOEM and EPCC is the proprietary information, trade secrets, IP, and
21 technology of IR, more precisely defined as GaN power electronic and control technology.
22 IR had exclusive possession and control of this particular information and research
23 materials, and IR had a legitimate claim to exclusivity because it spent a substantial
24 amount of money — more than \$60 million — to develop this information and research.

25
26 125. As terms of their employment, Lidow, Beach, Cao, Tam, Tsang, Nakata and
27 Zhao executed confidentiality/ nondisclosure agreements obligating them to devote all
28 efforts to their work at IR, to relinquish any interest in patentable IP developed, and to

1 protect and preserve IR's information, trade secrets, IP and technology during and after
2 their employment at IR. These agreements affirm IR's ownership of all information, trade
3 secrets, IP and technology developed or worked on by Defendants while employed at IR.
4

5 126. Lidow, Beach, Cao, Tam, Tsang, Nakata and Zhao unlawfully converted IR's
6 confidential GaN information, trade secrets, IP, and technology by transferring it to EPCC
7 and GNOEM. Defendants, among other ways, unlawfully converted this information by
8 downloading and sending files containing IR's GaN information, to a third party server
9 registered at www.gnoem.com, by taking certain wafers unique to IR's research, and by
10 transferring this information to EPCC and GNOEM for their own personal benefit and use.
11

12 127. As a direct result of the actions of Lidow, Beach, Cao, Tam, Nakata, Zhao,
13 EPCC and GNOEM, IR has suffered damages in an amount to be proven at trial.
14

15 128. The above actions of Lidow, Beach, Cao, Tam, Nakata, Zhao, EPCC and
16 GNOEM were willful, wanton, and malicious, and justify an award of exemplary and
17 punitive damages.
18

19 129. Lidow, Beach, Cao, Nakata, Tam, Tsang, Zhao, GNOEM and EPCC
20 knowingly combined and conspired to unlawfully convert IR's confidential GaN
21 information, trade secrets, IP, and technology to use for their own benefit and to the
22 detriment of IR. As a direct and proximate cause result of these Defendants' actions, IR
23 has suffered damages in an amount to be proven at trial. These Defendants are jointly
24 liable for the harm they have caused to IR through their conspiracy.
25

26 130. The above actions by Lidow, Beach, Cao, Tam, Nakata, Tsang, Zhao, EPCC
27 and GNOEM were willful, wanton and malicious, and justify an award of punitive
28 damages.

1 131. IR is informed and believes that Defendants may have misappropriated other
2 information and technology and converted them to their own personal use, the full extent
3 to which IR is presently unaware. IR hereby gives notice that it reserves the right to
4 amend this Complaint to include any other wrongful acts of Defendants that IR discovers
5 in the course of this legal action and any further damages that it has suffered as a result.

6
7 **SEVENTH CLAIM FOR RELIEF**

8 (Breach of Duty of Loyalty – California Labor Code § 2860 Against Defendants Lidow,
9 Beach, Cao, Tam, Nakata, Tsang and Zhao)

10
11 132. IR re-alleges and incorporates by reference herein, as if set forth in full, the
12 allegations set forth above in all paragraphs 1 through 54 of this Complaint.

13
14 133. While working for IR, Lidow, Beach, Cao, Tam, Nakata, Tsang and Zhao as
15 employees, officers, and/or agents of IR, each had a duty of loyalty to IR as their
16 employer. The duty of loyalty included, among other things, a duty not to steal or
17 otherwise improperly obtain property owned by IR and use it for their own personal gain.

18
19 134. Lidow, Beach, Cao, Tam, Nakata, Tsang and Zhao breached their duty of
20 loyalty to IR by scheming to acquire and raiding IR of certain assets, including its
21 confidential GaN proprietary information, trade secrets, IP and technology, transferring it
22 to competitor company, EPCC, and using these assets for their own personal gain. Among
23 other ways, Defendants stole these assets by downloading and sending IR files to a third
24 party server and by taking wafers unique to IR's research.

25
26 135. Lidow, Beach, Tam, Nakata and Tsang also breached their duties of loyalty
27 by scheming to create a new company, EPCC, which would compete directly with IR by
28 using IR's confidential GaN information, trade secrets, IP and technology.

1 136. Lidow and Beach further breached their duties of loyalty to IR by soliciting
2 highly skilled IR GaN research and development employees to leave IR and to work at
3 EPCC.

4
5 137. Beach also breached his duty of loyalty to IR by secretly forming and
6 running a second company GNOEM, which also specializes in GaN research and
7 development, while Beach was employed at IR.

8
9 138. Further, Tam, while employed at IR, breached his duty of loyalty to IR by
10 traveling all over the world to exploit IR's confidential GaN information, trade secrets, IP
11 and technology for Defendants' benefit and that of their newly formed company, EPCC.
12 Tam billed IR for the costs of this travel, in violation of his duty of loyalty.

13
14 139. As a direct and proximate result of Lidow, Beach, Cao, Tam, Nakata, Tsang
15 and Zhao breaches of their duties of loyalty, IR has suffered damages in an amount to be
16 proven at trial.

17
18 140. Lidow, Beach, Cao, Nakata, Tsang and Zhao knowingly combined and
19 conspired to breach their duties of loyalty owed to IR as employees and/or officers of IR.
20 As a direct and proximate cause result of these Defendants' actions, IR has suffered
21 damages in an amount to be proven at trial. These Defendants are jointly liable for the
22 harm they have caused to IR through their conspiracy.

23
24 141. The actions of Lidow, Beach, Cao, Tam, Nakata, Tsang and Zhao were
25 willful, wanton and malicious, and justify an award of exemplary and punitive damages.

26
27 142. California Labor Code section 2860 provides that everything an employee
28 acquires by virtue of his or her employment belongs to the employer, whether acquired

1 lawfully or unlawfully. As a direct and proximate result of these Defendants' actions, IR
2 has sustained damages. Pursuant to California Labor Code section 2860, Defendants now
3 hold in constructive trust for IR all confidential GaN information, trade secrets, IP, and
4 technology acquired through their fraudulent scheme.

5
6 **EIGHTH CLAIM FOR RELIEF**

7 (Breach of Fiduciary Duty Against Defendants Lidow, Beach, Cao,
8 Tam, Nakata, Tsang and Zhao)

9
10 143. IR re-alleges and incorporates by reference herein, as if set forth in full, the
11 allegations set forth above in all paragraphs 1 through 54 of this Complaint.

12
13 144. Lidow, Beach, Cao, Tam, Nakata, Tsang and Zhao were among the few
14 persons at IR that had access to certain confidential and proprietary information, trade
15 secrets, IP and technology. By virtue of the trust and confidence that IR reposed in them,
16 these Defendants each owed IR a fiduciary obligation to act at all times in the best interests
17 of the Company and to refrain from any conduct that would be adverse to IR's best
18 interests in any way and, following their employment, to continue to act as fiduciaries of
19 the confidential and proprietary information, trade secrets, IP and technology imparted to
20 them in their former capacities as IR employees and/or officers.

21
22 145. In addition, as former CEO and a board member of IR, Lidow owed a duty
23 of care to IR and must serve in good faith and in a manner that is in the best interest of IR.

24
25 146. Lidow, Beach, Cao, Tam, Nakata, Tsang and Zhao breached their fiduciary
26 duties to IR, by scheming to acquire and raiding IR of certain assets, including its
27 confidential GaN proprietary information, trade secrets, IP and technology, transferring it
28 to EPCC, and using these assets for their own personal gain and to the detriment of IR.

1 147. Lidow, Tam and Tsang also breached their fiduciary duties by scheming to
2 create EPCC, which would compete directly with IR by using IR's confidential GaN
3 information, trade secrets, IP and technology to Defendants' benefit and IR's detriment.
4

5 148. Lidow and Beach further breached their fiduciary duties to IR by soliciting
6 highly-skilled IR GaN research and development employees to leave IR and to work at
7 EPCC.
8

9 149. Further, Tam, in his last days of employment at IR, breached his fiduciary
10 duty to IR by traveling all over the world to exploit IR's confidential GaN information,
11 trade secrets, IP and technology for Defendants' own benefit and that of their newly
12 formed company, EPCC. Tam billed IR for the costs of this travel in violation of his
13 fiduciary duty.
14

15 150. As a proximate result of these Defendants' breaches of their fiduciary duties,
16 IR has sustained and will continue to sustain damages. The precise nature and amount of
17 such accrued and continuing damages is not presently known to the Company and cannot
18 be ascertained at this time.
19

20 151. Lidow, Beach, Cao, Tam, Nakata, Tsang, and Zhao knowingly combined and
21 conspired to breach their fiduciary duties owed to IR as employees with access to IR's
22 confidential information and/or as officers/ directors of IR. As a direct and proximate
23 cause result of these Defendants' actions, IR has suffered damages in an amount to be
24 proven at trial. These Defendants are jointly liable for the harm they have caused to IR
25 through their conspiracy.
26

27 152. The actions of Lidow, Beach, Cao, Tam, Nakata, Tsang and Zhao were
28 willful, wanton and malicious, and justify an award of exemplary and punitive damages.

NINTH CLAIM FOR RELIEF

(Breach of Contract Against Defendants Lidow, Beach, Cao, Tam,
Nakata, Tsang, Zhao, Aixtron, Hermes - Epitek and Episil)

153. IR re-alleges and incorporates by reference herein, as if set forth in full, the allegations set forth above in all paragraphs 1 through 54 of this Complaint.

154. Lidow, Beach, Cao, Tam, Nakata, Tsang and Zhao, as officers and employees of IR, entered into confidentiality and nondisclosure agreements as terms of their employment. Pursuant to these agreements, Defendants agreed that IR owned all confidential patentable intellectual property developed during their employment and that they would protect and preserve all of IR's information, trade secrets, IP and technology during employment and thereafter. Defendants breached these confidentiality and nondisclosure agreements by transferring and disclosing IR's confidential information, trade secrets, IP and technology to EPCC and to competitors of IR.

155. Similarly, IR entered into NDAs with its business collaborators, Aixtron, Hermes – Epitek and Episil, which prohibited them from disclosing any and all of IR's confidential information, trade secrets, IP and technology to third parties. Aixtron, Hermes - Epitek and Episil breached these nondisclosure agreements by transferring and disclosing IR's confidential information, trade secrets, IP and technology to EPCC and to competitors of IR.

156. Moreover, Lidow entered into a separation agreement with IR pursuant to which he agreed to return any documents that are the property of IR and to provide IR with a copy of all information included on his laptop computer. Lidow breached this agreement by transferring and disclosing IR's confidential information, trade secrets, IP and technology to EPCC and to competitors of IR.

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(Tortious Breach of Contract Against Defendants Lidow, Beach,
Cao, Tam, Nakata, Tsang, Zhao, Aixtron, Hermes - Epitek and Episil)

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164. By reason of these Defendants' tortious breaches of contracts, IR has been and will continue to be damaged in an amount which is presently unknown to IR and cannot be ascertained with any definiteness at this time. IR's actual damages will be proven at trial.

10 165. By reason of their conduct, and because their conduct was willful, wanton
11 and malicious, IR is entitled to exemplary and punitive damages against these Defendants
12 in an amount sufficient to punish and deter them.

(Intentional Interference with Contractual Relations
Against Defendant Lidow)

18 166. IR re-alleges and incorporates by reference herein, as if set forth in full, the
19 allegations set forth above in all paragraphs 1 through 54 of this Complaint.

167. At all times, Beach, Cao, Tam, Zhao, Tsang, and Nakata had valid, at-will employment contracts and confidential and/or nondisclosure agreements with IR. Lidow, as one of the most senior officers at IR, knew of these at-will employment contracts and confidential and/or nondisclosure agreements.

26 168. Lidow intentionally encouraged and/or induced IR employees, including but
27 not limited to, Beach, Cao, Tam, Zhao and Tsang, to breach these at-will employment
28 contracts and confidential and/or nondisclosure agreements. Specifically, Lidow

1 intentionally encouraged and/or induced Beach, Cao, Tam, Zhao and Tsang to leave IR, to
2 work for his newly-formed ECP Corporation, and to illegally transfer and/or disclose IR's
3 confidential and propriety information, trade secrets, IP and technology, which were
4 protected under the confidential and/or nondisclosure agreements.

5
6 169. Lidow's intentional acts of interference resulted in actual breaches or
7 disruptions of the at-will employment contractual relations between IR and its employees.

8
9 170. Lidow's intentional acts of interference have directly and proximately caused
10 damage to IR. As a result of this conduct, IR has sustained and will continue to sustain
11 substantial economic damages. The precise nature and amount of such accrued and
12 continuing damages is not presently known to IR and cannot be ascertained with any
13 definitiveness at this time. IR's actual damages will be proven at trial.

14
15 171. Lidow knowingly combined and conspired with others to cause IR's
16 employees to breach their employment and/or nondisclosure agreements with IR. As a
17 direct and proximate result of these Defendants' actions, IR has suffered damages in an
18 amount to be proven at trial. These Defendants are jointly liable for the harm they have
19 caused to IR through their conspiracy.

20
21 172. In addition, because the conduct of Lidow was willful, wanton and
22 malicious, IR is entitled to exemplary and punitive damages against Lidow in an amount
23 sufficient to punish and deter them.

24
25 **VI.**

26 **PRAYER FOR RELIEF**

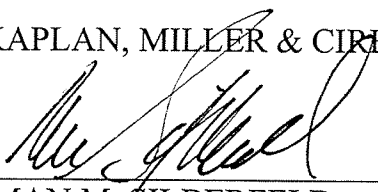
27 WHEREFORE, Plaintiff prays for judgment against Defendants as follows:
28

1. For compensatory damages in an amount according to proof at trial;
2. For restitution of the amounts by which Defendant had been unjustly enriched;
3. For a temporary restraining order, preliminary and permanent injunction enjoining Defendants and all persons acting in concert or participating with them from misusing IR's trade secrets and/or other confidential information and requiring Defendants to return all wrongfully obtained information to IR;
4. For exemplary and punitive damages in an amount to punish Defendants from engaging in similar misconduct in the future;
5. For costs of suit and attorneys' fees incurred herein under 18 U.S.C. § 1964, California Civil Code § 3426.4 and to the extent provided by law;
6. For pre-judgment and post-judgment interest as provided by law;
7. For such other and further relief as the Court may deem just and proper.

Dated: September 8, 2008

ROBINS, KAPLAN, MILLER & CIRESI L.L.P.

By


ROMAN M. SILBERFELD
RMSilberfeld@rkmc.com
Attorneys for International Rectifier

1 Dated: September 8, 2008

2 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

3
4 By



5 ROBERT D. ROSE

6 rrose@sheppardmullin.com

7 Attorneys for International Rectifier

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1 **DEMAND FOR JURY TRIAL**

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3 Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Defendants demand a
4 jury trial as to all matters so triable.

5
6 Dated: September 8, 2008

7 ROBINS, KAPLAN, MILLER & CIRESI L.L.P.

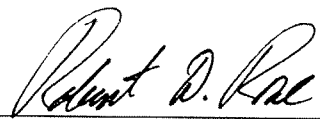
8
9 By

10 
11 ROMAN M. SILBERFELD
12 RMSilberfeld@rkmc.com
13 Attorneys for International Rectifier

14 Dated: September 8, 2008

15 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

16 By

17 
18 ROBERT D. ROSE
19 rrose@sheppardmullin.com
20 Attorneys for International Rectifier
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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Manuel Real and the assigned discovery Magistrate Judge is Andrew J. Wistrich.

The case number on all documents filed with the Court should read as follows:

CV08 - 5869 R (AJWx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

Unless otherwise ordered, the United States District Judge assigned to this case will hear and determine all discovery related motions.

===== :

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

☒ **Western Division**
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

☐ **Southern Division**
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

☐ **Eastern Division**
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

Roman M. Silberfeld, State Bar #62783
 ROBINS, KAPLAN, MILLER & CIRESI L.L.P.
 RMSilberfeld@rkmc.com
 2049 Century Park East, Ste. 3400
 Los Angeles, CA 90067-3208
 Telephone: 310-552-0130
 Facsimile: 310-229-5800

See Attached
 Additional Counsel

**UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA**

INTERNATIONAL RECTIFIER, a Delaware
 Corporation

PLAINTIFF(S)

v.

ALEX LIDOW, an individual; ROBERT BEACH, an
 individual; JIANJUAN "JOE" CAO, an
 individual; DAVID TAM, an individual;
 (Continued on Attached Page) DEFENDANT(S).

CASE NUMBER

CV 08-05869 R AJWx

SUMMONS

TO: DEFENDANT(S): _____

A lawsuit has been filed against you.

Within 20 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached ☒ complaint ☐ amended complaint ☐ counterclaim ☐ cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, Roman M. Silberfeld**, whose address is 2049 Century Park East, Ste. 3400, Los Angeles, CA 90067-3208. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

**Service to be made also upon: Robert D. Rose, 501 West Broadway, 19th Floor, San Diego, CA 92101-3598

Clerk, U.S. District Court

Dated: SEP - 8 2008

By: *Anna M. Martinez*
 Deputy Clerk

(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

Attachment to Summons

Defendants Continued

ALANA NAKATA, an individual; STEPHEN TSANG, an individual; GUANGYUANG ZHAO, an individual; GNOEM SYSTEMS, INC., a corporation; AIXTRON AG, a corporation; EPISIL TECHNOLOGIES, INC; a corporation; HERMES – EPITEK, a corporation; and EFFICIENT POWER CONVERSION CORPORATION, a corporation

Attachment to Summons

Additional Plaintiff's Counsel

ROBERT D. ROSE, Cal. Bar No. 62559
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
rrose@sheppardmullin.com
501 West Broadway, 19th Floor
San Diego, CA 92101-3598
Telephone: 619-338-6500
Facsimile: 619-234-3815

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

I (a) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/>) INTERNATIONAL RECTIFIER, a Delaware Corporation	DEFENDANTS ALEX LIDOW, an individual, et al.
(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) Roman M. Silberfeld, State Bar No. 62783 Robins, Kaplan, Miller & Ciresi L.L.P., 2049 Century Park East, Ste. 3400, Los Angeles, CA 90067; (310) 552-0130 (See Attached Additional Counsel)	Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.) <input type="checkbox"/> 1 U.S. Government Plaintiff <input checked="" type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) <table style="width:100%; border: none;"> <tr> <td style="width:30%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> <td style="width:40%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> </tr> <tr> <td>Citizen of This State</td> <td align="center"><input type="checkbox"/> 1</td> <td align="center"><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business in this State</td> <td align="center"><input type="checkbox"/> 4</td> <td align="center"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td align="center"><input type="checkbox"/> 2</td> <td align="center"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td align="center"><input type="checkbox"/> 5</td> <td align="center"><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td align="center"><input type="checkbox"/> 3</td> <td align="center"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td align="center"><input type="checkbox"/> 6</td> <td align="center"><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
	PTF	DEF		PTF	DEF																				
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Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. ORIGIN (Place an X in one box only.) <input checked="" type="checkbox"/> 1 Original Proceeding <input type="checkbox"/> 2 Removed from State Court <input type="checkbox"/> 3 Remanded from Appellate Court <input type="checkbox"/> 4 Reinstated or Reopened <input type="checkbox"/> 5 Transferred from another district (specify): <input type="checkbox"/> 6 Multi-District Litigation <input type="checkbox"/> 7 Appeal to District Judge from Magistrate Judge
--

V. REQUESTED IN COMPLAINT: JURY DEMAND: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Check 'Yes' only if demanded in complaint.) CLASS ACTION under F.R.C.P. 23: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No MONEY DEMANDED IN COMPLAINT: \$ To Be Determined

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)

VII. NATURE OF SUIT (Place an X in one box only.)
--

OTHER STATUTES	CONTRACT	TORTS	TORTS	PRISONER PETITIONS	LABOR
<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input checked="" type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Act <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes	<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise <div style="background-color: #e0e0e0; text-align: center;">REAL PROPERTY</div> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<div style="background-color: #e0e0e0; text-align: center;">PERSONAL INJURY</div> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <div style="background-color: #e0e0e0; text-align: center;">IMMIGRATION</div> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus-Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<div style="background-color: #e0e0e0; text-align: center;">PERSONAL PROPERTY</div> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability <div style="background-color: #e0e0e0; text-align: center;">BANKRUPTCY</div> <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <div style="background-color: #e0e0e0; text-align: center;">CIVIL RIGHTS</div> <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <div style="background-color: #e0e0e0; text-align: center;">FORFEITURE / PENALTY</div> <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act <div style="background-color: #e0e0e0; text-align: center;">PROPERTY RIGHTS</div> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <div style="background-color: #e0e0e0; text-align: center;">SOCIAL SECURITY</div> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <div style="background-color: #e0e0e0; text-align: center;">FEDERAL TAX SUITS</div> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609

FOR OFFICE USE ONLY: Case Number:

CV08-05869

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? ☒ No ☐ Yes
 If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? ☐ No ☒ Yes
 If yes, list case number(s): Koller v. International Rectifier, No. 07 cv 02544; Levine v. International Rectifier, et al., No. 07 cv 3123

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) ☐ A. Arise from the same or closely related transactions, happenings, or events; or
☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or
☒ C. For other reasons would entail substantial duplication of labor if heard by different judges; or
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

- (a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.
☐ Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles County	

- (b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.
☐ Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles County (Defendants Lidow, Beach, Cao, Tam, Nakata, Zhao and Hermes-Epiket)	Santa Clara County (Aixtron/Hermes-Epitek) Hong Kong (Tsang) Taiwan (Episil)

- (c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.
Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles County	Germany Taiwan

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved.

X. SIGNATURE OF ATTORNEY (OR PRO PER): Roman M. Silberfeld Date September 8, 2008

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

Attachment to Civil Cover Sheet

Additional Plaintiff's Counsel

ROBERT D. ROSE, Cal. Bar No. 62559
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
rrose@sheppardmullin.com
501 West Broadway, 19th Floor
San Diego, CA 92101-3598
Telephone: 619-338-6500
Facsimile: 619-234-3815